



DEPARTMENT OF ENERGY

Western Area Power Administration

Washoe Project, Stampede Division - Rate Order No. WAPA-201

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of rate order concerning non-firm power formula rate.

SUMMARY: The non-firm power formula rate for the Washoe Project, Stampede Division (Provisional Formula Rate) has been confirmed, approved, and placed into effect on an interim basis. The Provisional Formula Rate is unchanged from the existing Washoe Project formula rate in Rate Schedule SNF-7, which expires on September 30, 2022.

DATES: The Provisional Formula Rate under Rate Schedule WSH-1 is effective on the first day of the first full billing period beginning on or after October 1, 2022, and will remain in effect through September 30, 2027, pending confirmation and approval by the Federal Energy Regulatory Commission (FERC) on a final basis or until superseded.

FOR FURTHER INFORMATION CONTACT: Sonja Anderson, Regional Manager, Sierra Nevada Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, California 95630, or Autumn Wolfe, Rates Manager, Sierra Nevada Region, Western Area Power Administration, (916) 353-4686 or email: SNR-RateCase@wapa.gov.

SUPPLEMENTARY INFORMATION: On April 16, 2009, FERC approved and confirmed the Sierra Nevada Region Washoe Project, Stampede Division's non-firm power formula rate, Rate Schedule SNF-7, under Rate Order No. WAPA-136, on a final basis through July 31, 2013.¹ FERC subsequently approved two consecutive 5-year rate extensions, extending the rate through September 30, 2022.² This rate schedule applies to the Washoe Project, Stampede Division.

¹ Order Confirming and Approving Rate Schedule on a Final Basis, FERC Docket No. ER08-5161-000, 127 FERC ¶ 62,043 (2009).

² Orders Confirming and Approving Rate Schedule on a Final Basis, FERC Docket No. EF13-5-000, 144 FERC ¶ 62,213 (2013) and FERC Docket No. EF17-1-000, 159 FERC ¶ 62,047 (2017).

Western Area Power Administration (WAPA) published a *Federal Register* notice (Proposed FRN) on April 5, 2022 (87 FR 19678), proposing no changes from the existing Washoe Project, Stampede Division non-firm power formula rate in Rate Schedule SNF-7, which expires on September 30, 2022. The Proposed FRN also initiated a public consultation and comment period and set forth the date and location of the public information and public comment forums.

Legal Authority

By Delegation Order No. S1-DEL-RATES-2016, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the WAPA Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve on a final basis, remand, or disapprove such rates, to FERC. By Delegation Order No. S1-DEL-S3-2022-2, effective June 13, 2022, the Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary for Infrastructure. By Redefinition Order No. S3-DEL-WAPA1-2022, effective June 13, 2022, the Under Secretary for Infrastructure redefined the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator. This rate action is issued under Redefinition Order No. S3-DEL-WAPA1-2022 and Department of Energy procedures for public participation in rate adjustments outlined in 10 CFR part 903.³

Following a review of the Sierra Nevada Region's proposal, I hereby confirm, approve, and place Rate Order No. WAPA-201, which provides the non-firm power formula rate for the Washoe Project, Stampede Division into effect on an interim basis. WAPA will submit Rate Order No. WAPA-201 to FERC for confirmation and approval on a final basis.

³ 50 FR 37835 (Sept. 18, 1985) and 84 FR 5347 (Feb. 21, 2019).

**DEPARTMENT OF ENERGY
ADMINISTRATOR, WESTERN AREA POWER ADMINISTRATION**

In the Matter of:)
Western Area Power Administration)
Sierra Nevada Region)
Rate Adjustment for the) Rate Order No. WAPA-201
Washoe Project, Stampede Division)
Non-Firm Power Formula Rate)

**ORDER CONFIRMING, APPROVING, AND PLACING THE NON-FIRM POWER
FORMULA RATE FOR THE WASHOE PROJECT, STAMPEDE DIVISION INTO
EFFECT ON AN INTERIM BASIS**

The non-firm power formula rate in Rate Order No. WAPA-201 is established following section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152).⁴

By Delegation Order No. S1-DEL-RATES-2016, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the WAPA Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, or to remand or disapprove such rates, to FERC. By Delegation Order No. S1-DEL-S3-2022-2, effective June 13, 2022, the Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary for Infrastructure. By Redelegation Order No. S3-DEL-WAPA1-2022, effective June 13, 2022, the Under Secretary for Infrastructure further redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator. This rate action is issued under Redelegation Order No. S3-DEL-WAPA1-2022 and DOE procedures for public participation in rate adjustments set forth at 10 CFR part 903.⁵

Acronyms, Terms, and Definitions

As used in this Rate Order, the following acronyms, terms, and definitions apply:

Customer Rate Brochure: A document prepared for public distribution explaining the

⁴ This Act transferred to, and vested in, the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation (Reclamation) under the Reclamation Act of 1902 (ch.1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); and other acts that specifically apply to the project involved.

⁵ 50 FR 37835 (Sept. 18, 1985) and 84 FR 5347 (Feb. 21, 2019).

rationale and background for the information contained in this rate order.

DOE Order RA 6120.2:

Department of Energy Order outlining the power marketing administration financial reporting and rate-making procedures.

Energy:

Measured in terms of the work it is capable of doing over a period of time. Electric energy is usually measured in kilowatt-hours or megawatt-hours.

NEPA:

National Environmental Policy Act of 1969, as amended.

Non-Firm:

Delivery or receipt of the power may be interrupted for any reason without liability on the part of either buyer or seller.

Power:

Capacity and energy.

Preference:

The provisions of Reclamation Law that require WAPA to first make Federal Power available to certain entities. For example, section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)) states that preference in the sale of Federal Power shall be given to municipalities and other public corporations or agencies and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made under the Rural Electrification Act of 1936.

Provisional Formula Rate:

A formula rate confirmed, approved, and placed into effect on an interim basis by the Secretary or his/her designee.

PRS:

Power Repayment Study, as defined in DOE Order RA 6120.2 and used for the rate adjustment period, is a tool used to determine if the projected power revenue for each project is adequate to meet the annual revenue requirement. The PRS is used to calculate how much revenue is needed to meet annual investment obligations, O&M expenses, and repayment requirements (including repayment periods).

Webex:

Webex is an online secure invite-only meeting platform used by WAPA. The general Website is <https://doe.webex.com>.

Effective Date

The Provisional Formula Rate Schedule WSH-1 will take effect on the first day of the first full billing period beginning on or after October 1, 2022, and will remain in effect through

September 30, 2027, pending approval by FERC on a final basis or until superseded.

Public Notice and Comment

Sierra Nevada Region followed the Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions, 10 CFR part 903, in developing this non-firm power formula rate. Following are the steps Sierra Nevada Region took to involve interested parties in the rate process:

1. On April 5, 2022, a *Federal Register* notice (87 FR 19678) (Proposed FRN) announced the proposed non-firm power formula rate and launched a 60-day public consultation and comment period.
2. On April 5, 2022, the Sierra Nevada Region notified Preference Customers and interested parties of the proposed rate and provided a copy of the published Proposed FRN.
3. On April 22, 2022, the Sierra Nevada Region held a public information forum via Webex. Sierra Nevada Region's representatives explained the proposed non-firm power formula rate, answered questions, and gave notice that more information was available in the Customer Rate Brochure.
4. On April 22, 2022, the Sierra Nevada Region held a public comment forum to provide an opportunity for customers and other interested parties to comment for the record.
5. Sierra Nevada Region published a website that contains all dates, customer letters, presentations, comments, FRNs, Customer Rate Brochure, and other information about this rate process. The website is located at www.wapa.gov/regions/SN/rates/Pages/Rate-Case-2022-WAPA-201.aspx.
6. During the 60-day consultation and comment period, which ended on June 6, 2022, the Sierra Nevada Region received no oral comments and no written comments.

Supplementary Information

Stampede Dam and Reservoir are located on the Little Truckee River in Sierra County, California, about 11 miles northeast of the town of Truckee. The Washoe Project was designed

to improve the regulation of runoff from the Truckee and Carson River system and to provide supplemental irrigation water and drainage, as well as water for municipal, industrial, fishery use, flood protection, fish and wildlife benefits, and recreation. The Stampede Powerplant provides the economic equivalent of project-use power to Lahontan and Marble Bluff fish facilities.

When the Stampede Dam and Reservoir project was first authorized, under Pub. L. No. 84-858, on August 1, 1956, hydroelectric power development was included. During the period 1966 to 1970, when Stampede Dam was built, power facilities were not constructed because the power function was not economically justified. Provisions were made to facilitate the addition of power facilities at a later date.

In July 1976, a preliminary reevaluation of a powerplant at Stampede was conducted and published in a special U.S. Department of Interior, Bureau of Reclamation (Reclamation) report, *Adding Powerplants at Existing Federal Dams in California*. In the report, Reclamation recommended the construction of a Stampede Powerplant. As a result, definitive plan studies were initiated in Fiscal Year 1977, and construction of the powerplant was completed in 1987. A one-half-mile, 60-kilovolt transmission line, owned by Sierra Pacific Power Company (Sierra Pacific), interconnects the Stampede power facilities with Sierra Pacific's transmission system.

Under section 205(c) of the Fallon Paiute Shoshone Indian Tribes Water Rights Settlement Act of 1990, Congress declared all Washoe Project costs non-reimbursable except the Stampede Powerplant.⁶ This was necessary because a 1982 court order requires that Stampede be operated for the benefit of endangered or threatened fish at Pyramid Lake.⁷ The energy generated by the powerplant has a priority reservation for designated Washoe Project loads. All remaining energy generation is sold on a non-firm basis under the conditions outlined in the Sierra Nevada

⁶ See Pub. L. No. 101-618, 104 Stat. 3289, 3307 (1990).

⁷ See *Carson-Truckee Water Conservancy Dist. v. Watt*, 549 F. Supp. 704, 710 (D. Nev. 1982), *aff'd in part and vacated in part sub nom. Carson-Truckee Water Conservancy Dist. v. Clark*, 741 F.2d 257, 260 (9th Cir. 1984).

Region's contract with a third-party contractor. Energy generated at Stampede Powerplant is dependent on the run of the river and is therefore considered non-firm.

Since the Washoe Project has no Federally owned transmission lines, Sierra Nevada Region contracted with Truckee Donner Public Utility District and the City of Fallon (TDF) to accept Stampede generation and serve project use loads. Energy in excess of project use loads is marketed with the Central Valley Project (CVP) under the 2004 and 2025 Power Marketing Plans. Under the provisional Rate Schedule WSH-1, each year any remaining reimbursable expenses that exceed the revenue collected under the TDF contract are transferred to the CVP and incorporated into the CVP power revenue requirement (PRR). CVP customers that participate in the Renewable Energy Credit (REC) program receive a share of the annual Stampede RECs based on the annual percentage of CVP revenue transferred to the Washoe Project.

Stampede Non-Firm Power Formula Rate

There are no changes from the existing formula rate to the Provisional Formula Rate. The Provisional Formula Rate for Stampede's non-firm power is designed to recover an annual revenue requirement that includes investment repayment, interest, purchase power, reimbursable operation and maintenance expenses, and other expenses. The Provisional Formula Rate for Stampede power is:

$$\text{Stampede Annual Transferred PRR} = \text{Stampede Annual PRR} - \text{Stampede Revenue}$$

Where:

Stampede Annual Transferred PRR = Stampede Annual PRR identified as a cost transferred to the CVP.

Stampede Annual PRR = the total PRR for Stampede required to repay all annual costs, including interest, and the investment within the allowable period.

Stampede Revenue = Revenue from applying the Stampede Energy Exchange Account (SEEA) rate to project generation.

The SEEA is an annual energy exchange account for Stampede energy. Under the contract, TDF accepts delivery of all energy generated from Stampede and integrates this generation into its resource portfolio. The monthly calculation of revenue from Stampede energy received by TDF is credited into the SEEA. WAPA can use the SEEA revenue to benefit project use facilities and market energy from Stampede to CVP preference entities.

In the SEEA, the revenues from sales (generation revenues) are reduced by the project use costs, station service power costs, and SEEA administrative costs. WAPA applies the ratio of project use cost to the generation revenue recorded in the SEEA to determine a non-reimbursable percentage. One hundred percent minus the non-reimbursable percentage establishes a reimbursable percentage. This reimbursable percentage is then applied to the appropriate power-related costs to determine the reimbursable costs for repayment. The reimbursable costs are then netted against generation revenues made at the SEEA rate.

Comments

Sierra Nevada Region received no oral or written comments during the public consultation and comment period.

Certification of Rates

I have certified that the Provisional Formula Rate for the Washoe Project, Stampede Division under Rate Schedule WSH-1 is the lowest possible rate, consistent with sound business principles. The Provisional Formula Rate was developed following administrative policies and applicable laws.

Availability of Information

Information about this rate adjustment, including the Customer Rate Brochure, PRS, comments, letters, memorandums, and other supporting materials that were used to develop the Provisional Formula Rate, is available for inspection and copying at the Sierra Nevada Regional Office, 114 Parkshore Drive, Folsom, California. Many of these documents are also available on WAPA's website at www.wapa.gov/regions/SN/rates/Pages/Rate-Case-2022-WAPA-201.aspx.

RATEMAKING PROCEDURE REQUIREMENTS

Environmental Compliance

WAPA has determined that this action fits within the following categorical exclusions listed in appendix B to subpart D of 10 CFR part 1021.410: B4.3 (Electric power marketing rate changes) and B4.4 (Power marketing services and activities). Categorically excluded projects and activities do not require the preparation of either an environmental impact statement or an environmental assessment.⁸ Specifically, WAPA has determined that this rulemaking is consistent with activities identified in B4, Categorical Exclusions Applicable to Specific Agency Actions (see 10 CFR part 1021, appendix B to subpart D, part B4). A copy of the categorical exclusion determination is available on WAPA's website at www.wapa.gov/regions/SN/rates/Pages/Rate-Case-2022-WAPA-201.aspx.

Determination Under Executive Order 12866

WAPA has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

Submission to the Federal Energy Regulatory Commission

The Provisional Formula Rate herein confirmed, approved, and placed into effect on an interim basis, together with supporting documents, will be submitted to FERC for confirmation and final approval.

ORDER

In view of the above, and under the authority delegated to me, I hereby confirm, approve, and place into effect, on an interim basis, Rate Order No. WAPA-201. The rate will remain in effect on an interim basis until: (1) FERC confirms and approves it on a final basis; (2) a subsequent rate is confirmed and approved; or (3) such rate is superseded.

⁸ The determination was done in compliance with NEPA (42 U.S.C. 4321-4347); the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500-1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021).

Signing Authority

This document of the Department of Energy was signed on July 25, 2022, by Tracey A. LeBeau, Administrator, Western Area Power Administration, pursuant to delegated authority from the Secretary of Energy. That document, with the original signature and date, is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, DC, on July 29, 2022.

Treena V. Garrett,

Federal Register Liaison Officer,

U.S. Department of Energy.

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**SIERRA NEVADA REGION
Washoe Project, Stampede Division**

**NON-FIRM POWER FORMULA RATE
(Approved Under Rate Order No. WAPA-201)**

Effective:

The first day of the first full billing period beginning on or after October 1, 2022, through September 30, 2027, or until superseded by another rate schedule, whichever occurs earlier.

Available:

Within the marketing area served by the Sierra Nevada Region.

Applicable:

To preference customers under the 2004 Power Marketing Plan, the 2025 Power Marketing Plan, and the applicable third party(ies) who are under contract (Contractor) with the Western Area Power Administration (WAPA).

Character and Conditions of Service:

Alternating current, 60 hertz, three-phase, delivered and metered at the voltages and points established by contract.

Non-Firm Power Formula Rate:

To serve project use loads and effectively market the energy from Stampede, WAPA has contracted with a third-party Contractor that provides for a Stampede Energy Exchange Account (SEEA). The SEEA is an annual energy exchange account for Stampede energy. In the SEEA, the revenues from sales (generation revenues) made at the SEEA Rate are reduced by the project use and station service power costs, and SEEA administrative costs. WAPA applies the ratio of project use costs to the generation revenue recorded in the SEEA to determine a non-reimbursable percentage. One hundred percent minus this non-reimbursable percentage

establishes a reimbursable percentage. This reimbursable percentage is then applied to the appropriate power-related costs to determine the reimbursable costs for repayment. The reimbursable costs are then netted against generation revenues made at the SEEA Rate. As stipulated under the 2004 Power Marketing Plan and 2025 Power Marketing Plan, any remaining reimbursable costs, including interest and annual capital costs, are then transferred to the Central Valley Project for incorporation into the CVP Power Revenue Requirement.

The formula rate for Stampede power is:

$\text{Stampede Annual Transferred PRR} = \text{Stampede Annual PRR} - \text{Stampede Revenue}$

Where:

Stampede Annual Transferred

Power Revenue Requirement (PRR) = Stampede Annual PRR identified as a cost transferred to the CVP.

Stampede Annual PRR = The total PRR for Stampede required to repay all annual costs, including interest, and the investment within the allowable period.

Stampede Revenue = Revenue from applying the SEEA Rate to project generation.

Billing:

Billing for the SEEA Rate will be as specified in the service agreement.

Adjustment for Losses:

Losses will be accounted for under this rate schedule as stated in the service agreement.